VZCZCXRO9992 PP RUEHCHI RUEHDT RUEHHM RUEHNH DE RUEHKL #0884/01 2810905 ZNY SSSSS ZZH P 070905Z OCT 08 FM AMEMBASSY KUALA LUMPUR TO RUEHC/SECSTATE WASHDC PRIORITY 1745 INFO RUCNASE/ASEAN MEMBER COLLECTIVE PRIORITY RUEHUNV/USMISSION UNVIE VIENNA PRIORITY 0131 RHHMUNA/USCINCPAC HONOLULU HI PRIORITY RUEKJCS/SECDEF WASHDC PRIORITY RHEHNSC/NSC WASHDC PRIORITY RUEHBY/AMEMBASSY CANBERRA 2642 RUEHBJ/AMEMBASSY BEIJING 2522 RUEHNE/AMEMBASSY NEW DELHI 0798 RUEHKO/AMEMBASSY TOKYO 2581 RUEHUL/AMEMBASSY SEOUL 1698 RUEHWL/AMEMBASSY WELLINGTON 0579 RUEHLO/AMEMBASSY LONDON 0490

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SIPDIS

FOR EAP, PM AND ISN

E.O. 12958: DECL: 10/07/2028

TAGS: PREL PARM MASS MY

SUBJECT: GLOBAL HAWK, MALAYSIA AND NONPROLIFERATION GOALS

REF: A. JAKARTA 1574

\*\*B. SINGAPORE 834

Classified By: Ambassador James R. Keith, reasons 1.4 (b and d).

- 11. (S) Summary: The potential U.S. sale of the Global Hawk unmanned aerial vehicle (UAV) to Singapore via a possible exception or unilateral reclassification within the Missile Technology Control Regime (MTCR) would -- absent MTCR consensus -- negatively affect our engagement in Malaysia on the critical issues of nonproliferation and export controls. Malaysian leaders do not give us the benefit of the doubt when we speak of nonproliferation, and our decision on the potential sale of Global Hawk will have direct bearing on our credibility. It is important for our priority goals in Malaysia, and we believe in the greater region, that the U.S. remains within the MTCR consensus, including on the issue of UAVs and Global Hawk. To do otherwise could entail considerable long term cost to our nonproliferation goals in Malaysia, and harm U.S. efforts to attract Malaysia and other countries to support robust, enduring global arms control and nonproliferation regimes. End Summary.
- 12. (S) The potential U.S. sale of the Global Hawk UAV to Singapore via a possible exception or unilateral reclassification within the MTCR would -- absent MTCR consensus -- significantly impact our foreign policy objectives in Malaysia, not in terms of the Malaysia's likely reaction to the sale itself, but because it would negatively affect our engagement on the critical issues of nonproliferation and export controls. On the political-military side, there is clear potential for Malaysia to launch into sharp rhetoric following the announcement of a sale. Malaysian politicians will be tempted to use the issue to raise concerns about the close U.S.-Singapore security relationship and suspicions the technology will be used to spy on Malaysia. In the end, however, we expect Malaysia would accept such a sale as a fait accompli, particularly if Malaysia is not able to argue that Global Hawk portends violation of Malaysian airspace. We do not anticipate the Malaysian military reacting in a way that would undermine our bilateral defense relationship.
- 13. (S) The greater impact from the Global Hawk sale, depending on how it is approached within the MTCR framework, is tied intimately to our nonproliferation goals in Malaysia, including our critical goal of frustrating Iran's current and future use of Malaysia as a transshipment point. These goals

include our now five-year, interagency effort to convince Malaysia to institute an export control regime, and to accept and adhere to universal guidelines for control of nuclear and missile-related exports. We have placed serious effort, up to and including White House engagement, to urge adherence to UN sanctions and controls over missile-related equipment and technology here, especially regarding transhipments to Iran. We have provided four years of U.S. technical assistance to impart best practices for export controls, including for drafting of a necessary legal framework. We also have begun a dialogue with the National Labs about lending expertise that can help Malaysia make the right decisions about best non-proliferation practices if it decides to pursue peaceful uses of nuclear energy. In short, there is a lot at stake just in Malaysia, let alone in the rest of the region.

14. (S) Malaysian leaders do not give us the benefit of the doubt when we speak of global and regional nonproliferation objectives, and our decision on the potential sale of Global Hawk will have direct bearing on our credibility. Malaysians commonly are suspicious of U.S. motives with regard to interpretation of the Non-Proliferation Treaty (NPT), critical of our nuclear stockpile, and all to ready to allege U.S. double-standards related to Israel. Likewise, until proven otherwise, Malaysians assume that our objections to Iran's nuclear activities reflect a U.S. ideological agenda and our political designs in West Asia, not genuine nonproliferation concerns. A unilateral reclassification of Global Hawk as a Category II item within the MTCR or an exception for Global Hawk absent MTCR consensus in order to allow a sale to Singapore would reinforce strongly Malaysia's

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suspicions regarding U.S. motives behind our nonproliferation agenda.

- 15. (S) If we are to succeed in pushing Malaysia and the region toward adoption of universal guidelines for control of nuclear and missile-related exports, we should avoid sending the signal that universal guidelines or controls apply to everyone else but not to us and our close friends. If countries like Malaysia come to believe that our statements of support for global standards that arise from institutions ranging from MTCR to NPT to FATF only apply if we say they do, as opposed to universally on all member states, we will be giving away considerable ground in our effort to advance both nonproliferation and export control aims.
- 16. (S) For these reasons, it is important for our priority goals in Malaysia, and we believe in the greater region, that the U.S. remains within the MTCR consensus, including on the issue of UAVs and Global Hawk. To do otherwise could entail considerable cost to our credibility and stature on an issue of vital importance to our long-term security. We recognize that there are important equities at stake in the potential Global Hawk sale to Singapore. It is important to weigh these carefully against the long-term costs to our nonproliferation goals in Malaysia and the region, and the negative impact on U.S. efforts to attract Malaysia and other countries to support robust, enduring global arms control and nonproliferation regimes.

  KEITH